



Mr Boris Johnson
Prime Minister
10 Downing Street
London
SW1A 2AA

30th March 2022

Dear Prime Minister,

RE: Reform of the Financial Reporting Council and the UK audit sector

I am writing to you further to my most recent letter dated the 31st of January 2022, in which I urged you to act swiftly and decisively to put forward extensive reforms, enacted by legislation, to address a pattern of corporate governance scandals resulting from outdated auditing standards, weaknesses in corporate governance standards and a lack of competition amongst the “Big Four” auditing firms. The abovementioned letter was the tenth letter I have sent to you on this topic since November 2019¹.

The government’s highly publicised and animated reaction to the unfortunate yet apparently intentional violation of UK laws by P&O Ferries, and their subsequent mishandling of ~800 employee redundancies, provides another example underlining the urgency for the government to act upon proposed reforms to the UK’s corporate governance standards. The government’s ongoing and unexplained delays to addressing audit sector and corporate governance reforms, backed by recommendations from three independent reviews, could imply the government has set the UK’s corporate governance tone and paved the way for firms, such as P&O Ferries, to test the government’s tolerance at the expense of hard-working and innocent employees.

As I have set out in prior correspondence, the rate of UK corporate governance scandals has increased at an alarming rate in recent years. High-profile corporate failures, such as BHS, Carillion, Thomas Cook and Patisserie Valerie, have resulted in the loss of thousands of jobs and caused detrimental harm to the livelihoods and living standards of thousands of innocent people.

The government must act now to protect the interests of the UK public, including customers, employees, investors, and suppliers, from the indisputable harm caused by corporate governance scandals that will continue to unfold in the absence of prescribed reforms. I once again urge you raise the priority of this important topic on the government’s agenda and put forth legislation for parliamentary debate and eventual enforcement into UK law.

As before, I am fully committed to discussing this topic with you, members of your cabinet or their respective teams, and members of the BEIS Select Committee. To schedule a meeting, please contact me by emailing cthackray@risk-panorama.com or phoning 07444-788-545.

Yours sincerely,

Christopher Thackray

CC – Kwasi Kwarteng MP, Darren Jones MP
Enclosure – Letter dated the 31st of January 2022

¹ Reference www.riskpanorama.co.uk to read all correspondence with the government on audit sector reform.